

Nebraska Public Service Commission

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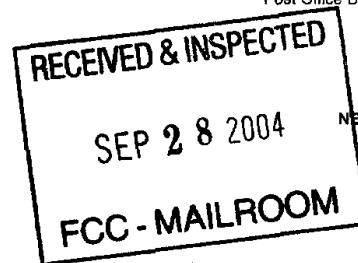
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September 23, 2004

✓ Marlene H. Dortch
Office of the Secretary Federal Communications Commission
Federal Communications Commission
445 12th Street, S. W. Room TW-A305
Washington, DC 20554

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Irene M. Flannery
Vice President, High Cost & Low Income Division
Universal Service Administrative Company
2000 L Street, NW, Suite 200
Washington, DC 20036

RE: Certification of High Cost Support for Rural Carriers Pursuant to 47 CFR
Section 54.314, CC Docket No. 96-45

Dear Ms. Dortch and Ms. Flannery:

The Public Service Commission of Nebraska hereby certifies that all federal high cost support provided to rural carriers in this state will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, consistent with section 254(e) of the Communications Act of 1934, as amended. This includes High Cost Loop support (HCL), Local Switching Support (LSS), and high cost support received pursuant to the purchase of exchanges.

Attached is Application No. NUSF-25, Progression Order No. 12, as approved by the Nebraska Public Service Commission on September 21, 2004, listing those rural carriers certified pursuant to section 54.314 of the FCC's rules (47 CFR § 54.314), which requires States to establish an annual certification process for rural carriers receiving federal high cost support. Additionally, as requested by the Universal Service Administrative Company, a listing of each carrier being certified to receive federal high cost support and the carriers' assigned study area code (SAC), has been included as an attachment to this letter.

Sincerely,

A handwritten signature in dark ink, appearing to read "Gerald L. Vap".

Gerald L. Vap
Chairman

GLV/jlp/bz

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SECRETARY'S RECORD, NEBRASKA PUBLIC SERVICE COMMISSION

BEFORE THE NEBRASKA PUBLIC SERVICE COMMISSION

In the Matter of the Nebraska) APPLICATION NO. NUSF-25
Public Service Commission, on)
its own motion, seeking to)
establish guidelines for the) Progression Order No. 12
purpose of certifying the use of)
federal universal service)
support.) Entered: September 21, 2004

BY THE COMMISSION:

O P I N I O N A N D F I N D I N G S

1. The Commission has established self-certification as its process for verifying whether all federal high-cost support will be used for its intended purpose, pursuant to 47 C.F.R § 54.314 and CC Docket No. 96-45. See Application No. NUSF-25, Progression Order #1 (August 21, 2001). Progression Order #5 in this docket required each rural incumbent local exchange carrier and/or eligible telecommunications carrier to file a notarized copy of an affidavit certifying whether federal high-cost support is being used consistent with section 254(e) on or before September 1 of each year.

2. On October 27, 2003, the Federal Communications Commission (FCC) released its Order on Remand, Further Notice of Proposed Rulemaking, and Memorandum Opinion and Order in CC Docket 96-45, FCC 03-249 (Order on Remand). In that Order, the FCC expanded the state certification process. Each state is required to review its rates in rural, high-cost areas served by non-rural carriers annually to assess the comparability of those rates to urban rates nationwide. States are required to file a certification with the FCC by October 1st annually, beginning on October 1, 2004, stating whether its rates are reasonably comparable to nationwide urban rates, or in the alternative, explain why they are not. The FCC bases its benchmark on the most recent urban residential rates as reported in the *Reference Book*, the Wireline Competition Bureaus' annual rate survey. Specifically, the FCC adopted as a nationwide urban benchmark the most recent average urban rate plus two standard deviations, or \$34.16 for the upcoming certification period. The FCC further established this as safe harbor by which states with rates below the benchmark can simply state that without having to provide a more detailed explanation to the FCC. Federal regulation provides that a state may presume that the residential rates in rural areas served by non-rural incumbent local exchange carriers are reasonably comparable to urban rates

nationwide if the rates are below the nationwide urban rate benchmark.¹ In the alternative, states with rates above the benchmark must rebut the presumption that the rates are not reasonably comparable by demonstrating that factors other than basic service rates affect the comparability of their rates.²

3. The Commission finds that the following carriers filed properly completed affidavits regarding the use of federal high cost support:

Allo Communications, LLC
 Alltel Communications
 Arapahoe Telephone Company dba ATC Communications
 Arlington Telephone Company
 Benkelman Telephone Company, Inc.
 Blair Telephone Company
 Cambridge Telephone Company
 Citizens Telecommunications Company of Nebraska, Inc.,
 aka Frontier
 Clarks Telecommunications Company
 Consolidated Telco, Inc.
 Consolidated Telecom, Inc.
 Consolidated Telephone Company
 Cozad Telephone Company
 Curtis Telephone Company, Inc.
 Dalton Telephone Company, Inc.
 Diller Telephone Company
 Eastern Nebraska Telephone Company
 Elsie Communications, Inc.
 Glenwood Telephone Membership Corporation
 Golden West Telecommunications Cooperative, Inc.
 Great Plains Communications, Inc.
 Hamilton Telephone Company
 Hartington Telecommunications Company, Inc.
 Hartman Telephone Exchanges Inc.
 Hemingford Co-operative Telephone Company
 Henderson Cooperative Telephone Company
 Hershey Cooperative Telephone Company
 Hooper Telephone Company dba Westel Systems
 Huntel Cablevision dba Huntel Communications
 K & M Telephone Company, Inc.
 Keystone-Arthur Telephone Company
 Nebraska Central Telephone Company

¹ 47 C.F.R. § 54.316(b). For purposes of certification, the nationwide urban rate benchmark shall equal the most recent average urban rate plus two weighted standard deviations. *Id.*

² *Id.* § 54.316(d).

Nebraska Technology and Telecommunications, Inc.
Northeast Nebraska Telephone Company
Orbitcom, Inc.
Pierce Telephone Company, Inc.
Pinpoint Communications
Plainview Telephone Company, Inc.
Qwest Corporation
Rock County Telephone Company
Sodtown Telephone Company
Southeast Nebraska Telephone Company
Stanton Telecom, Inc.
Three River Telco
United Telephone Company of the West dba Sprint
Vivian Telephone Company
Wauneta Telephone Company
Western Wireless

4. Accordingly, the Commission will provide certification to the Administrator of the federal high-cost universal service support mechanisms and the Federal Communications Commission that the above-listed carriers will use federal high-cost support only for the provision, maintenance, and upgrading of facilities and/or service for which the support is intended in accordance with section 254(e) of the Telecommunications Act of 1996, as amended.

5. In addition the Commission finds that the following nonrural carrier(s) charges rural rates which fall below the safe harbor and which are therefore presumably reasonably comparable:

Alltel Communications (Alltel)

6. Accordingly, the Commission will provide certification to the Federal Communications Commission and Administrator of the federal high-cost universal service support mechanisms that the rates of the above-listed carrier(s) are reasonably comparable.

7. The following nonrural carrier(s) charges rates in some rural areas above the safe harbor, which requires the Commission to explain in further detail whether the rates charged are or are not reasonably comparable:

Qwest Communications Corporation (Qwest)

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8. The Commission believes that the rates charged by Qwest in rural areas, although in some cases above the safe harbor, are nonetheless reasonably comparable with the nationwide urban rate benchmark. First, the average rate charged by Qwest is below the safe harbor. Second, Qwest has a measured service option available in the rural areas, which is below the safe harbor.³ Finally, Nebraska has undertaken substantial reform in its state subsidy system, which many other states have not done. The NUSF surcharge (6.95 percent) the Commission requires Qwest to charge and remit is not applicable to many other states.

O R D E R

IT IS THEREFORE ORDERED by the Nebraska Public Service Commission that the affidavits filed by the above-referenced carriers are accepted.

IT IS FURTHER ORDERED that the NUSF Department certify to the Federal Communications Commission that the above-listed nonrural carriers are charging reasonably comparable to the nationwide urban rate benchmark as described herein.

MADE AND ENTERED at Lincoln, Nebraska this 21st day of September, 2004.

NEBRASKA PUBLIC SERVICE COMMISSION

COMMISSIONERS CONCURRING:

Lowell Johnson
Frank E. Landis
Robert Johnson

//s// Frank E. Landis

//s// Gerald L. Vap

Chairman

Gerald L. Vap

ATTEST:

Shirley J. Pollack
Executive Director

³ See Order on Remand, n. 277.

Application No. NUSF-25, Progression Order No. 12
Federal High Cost Support - Study Area by Carrier

<u>COMPANY NAME</u>	<u>STUDY AREA CODE (SAC)</u>
Allo Communications	Not Known
ALLTEL	371568
Arapahoe Telephone (ATC Communications)	371516
Arlington Telephone Company	371517
Benkelman Telephone Company	372455
Blair Telephone Company	371525
Cambridge Telephone Company	371526
Citizens Telecommunications	371128
Clarks Telecommunications Co.	371531
Consolidated Telco, Inc.	371530
Consolidated Telecom, Inc. frmly Home Telephone and Eustis Telephone	371562 371545
Consolidated Telephone Co.	371532
Cozad Telephone Co.	371534
Curtis Telephone Co.	371536
Dalton Telephone Co.	371537
Diller Telephone Co.	371540
Eastern Nebraska Telephone Co.	371542
Elsie Telephone Co.	371518
Glenwood Telephone	371553
Golden West Telecommunications Coop	391659
Great Plains Communications	371577
Hamilton Telephone Co.	371555
Hartington Telecommunications Co.	371556
Hartman Telephone	371557
Hemingford Cooperative	371558
Henderson Cooperative	371559

Hershey Cooperative	371561
Hooper Telephone Company dba Westel	371563
Huntel Cablevision dba Huntel Communications	Not Known
K&M Telephone Company	371565
Keystone-Arthur Telephone	371567
Nebraska Central Telephone	371574
Nebraska Technology and Telecommunications	379004
Northeast Nebraska Telephone	371576
Orbitcom, Inc.	Not Known
Pierce Telephone Co.	371581
Pinpoint Communications	Not Known
Plainview Telephone	371582
Qwest Corporation	375143
Rock County Telephone	371586
Sodtown Telephone	371590
Southeast Nebraska Telephone	371591
Sprint Corporation	371595
Stanton Telecom, Inc.	371592
Three River Telephone Co.	371525
Vivian Telephone	391686
Wauneta Telephone	371597
WWC License, LLC aka Western Wireless	379005